

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7791**

**BILL NUMBER:** HB 1628

**DATE PREPARED:** Mar 2, 1999

**BILL AMENDED:** Mar 1, 1999

**SUBJECT:** Telephone slamming and cramming fines.

**FISCAL ANALYST:** Brian Tabor

**PHONE NUMBER:** 233-9456

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill gives the Indiana Utility Regulatory Commission (IURC) authority to impose a civil penalty of not more than \$2,500 per offense if the IURC finds that a telecommunications provider has violated:

- the law prohibiting the unauthorized switching of telecommunications providers or the billing of unauthorized services; or
- rules prohibiting the unauthorized switching of telecommunications providers or the billing of unauthorized services.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) This bill would allow the IURC to impose civil penalties on telecommunications service providers for the unauthorized switching of providers ("slamming") and the billing of unauthorized services ("cramming"). The Commission would be authorized to impose a civil penalty of up to \$2,500 for each offense. The exact number of cases in which such penalties would be imposed is not known. From March 1998 to February 1999, the IURC had received 633 consumer complaints regarding slamming and cramming, however, not all of these complaints may be related to actual violations of law or IURC rules. The Office of the Utility Consumer Counselor (OUCC) has also received a significantly higher number of complaints than the IURC. Any penalties collected under this bill would be deposited in the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IURC, OUCC.

**Local Agencies Affected:**

**Information Sources:** Mike Leppert, Director, Consumer Affairs, IURC, (317) 232-2714; Anthony Dzwonar, External Affairs Director, OUCC, (317) 232-2494.